

CONSENT TO SUBLEASE

WHEREAS, C. DON FILER, dba FALCON AVIATION, Lessee, entered into a lease with KING COUNTY, Lessor, said lease dated March 1, 1980, and effective November 1, 1979; and

WHEREAS, Falcon Aviation desires to sublease a leasehold and its improvements on that leasehold to Galvin Flying Service, the sublease agreement being herewith attached; and

WHEREAS, Falcon Aviation shall remain responsible for all obligations, restrictions and provisions of said lease; and

WHEREAS, KING COUNTY can find no reason to withhold its approval of said sublease agreement and amendment.

NOW THEREFORE:

KING COUNTY, a political subdivision of the State of Washington does hereby consent to said sublease.

Dated this 13<sup>th</sup>, day of February 19 90.

KING COUNTY, WASHINGTON

BY

Tim Hill  
King County Executive

Date

2/13/90

Airport Administration

By

Donald W. Smith  
Donald W. Smith, Manager

Approved As To Form:

By

Frederick Kaseburg  
Deputy Prosecuting Attorney

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THIS LEASE, made in triplicate this 18th day of January, 1990, between Falcon Aviation, Inc., hereinafter referred to as Lessor, and Galvin Flying Service, Inc. hereinafter referred to as Lessee.

WITNESSETH:

1. The Lessor does hereby lease to Lessee, and the Lessor does hereby lease from Lessor, those certain premises situate in the City of Seattle, King County, Washington, described as follows:

See Exhibit A

hereinafter called "premises".

BUSINESS PURPOSE

2. The premises are to be used for the purpose of conducting therein aircraft and equipment maintenance service, storage of aircraft parts, equipment.

TERM

3. The term of this lease shall be for three years and eleven months, and shall commence on the 1st day of February, 1990 and end on the 31st day of December, 1993, inclusive.

RENT

4. Lessee covenants and agrees to pay the Lessor as rental for said premises a minimum monthly rental of \$2,208.00 per month for the term of this sublease in lawful money of the United States in advance on the 1st day of each calendar month of the lease term, to: Don Filer, President, Falcon Aviation, Inc., 4201 Roosevelt Way N.E., Seattle, WA 98105 or to such other party or at such other place as Lessor may hereafter designate. In the event percentage, or other additional rent, is payable hereunder by the Lessee, it shall be paid in the manner and at the time as set forth in the rider attached hereto and by reference made a part of this lease. The rent quoted is exclusive of any sales, franchise, business or occupation or other taxes based on rents, and should any such taxes apply, or be enacted during the life of this lease, the rent shall be increased by such amount.

CONSIDERATION

5. As partial consideration for the execution of this lease, the Lessee has this day paid the Lessor the sum of FOUR THOUSAND FOUR HUNDRED SIXTEEN AND 00/100 DOLLARS (\$4,416.00), the receipt of which is hereby acknowledged. If the Lessee shall have fully complied with all of the covenants, agreements, terms and conditions of this lease, but not otherwise, said sum so paid

shall be credited on the payment of the first and last month's minimum rental of the term of this lease. Lessee agrees the Lessor should have the right to commingle said lease consideration with other funds.

#### UTILITIES

6. The Lessee hereby covenants and agrees to pay all charges for heat, electricity, water, sewer, Metro and garbage, and for all other public utilities which shall be used in or charged against the leased premises during the full term of this lease. Lessor shall not be liable for the failure of any such service for any reason whatsoever. In the event the leased premises are a part of a building or larger premises to which such charges as a whole, with the consent of the Lessor, then Lessee agrees to pay, upon demand, a proper and fair share of said charges.

#### REPAIRS AND CARE OF PREMISES

7. The premises, including all fixtures and appurtenances, have been inspected and are accepted by Lessee in their present condition. Lessee will permit no waste, damage or injury to the premises. Lessee, at his sole cost and expense, will keep all drainage pipes free and open and will protect water, heating and other pipes serving the premises so that they will not freeze or become clogged, and will also repair all damages caused by leaks or by reason of Lessee's failure to protect and keep free, open and unfrozen any of the pipes and plumbing serving said premises. Lessee shall, at all times, use said premises in accordance with, and comply with, the laws of the State of Washington and ordinances of the appropriate City or County in which said premises are located, and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officer of said City or County, at the sole cost and expense of said Lessee. At the expiration or sooner termination of this lease, Lessee will quit and surrender the said premises in a neat and "broom" clean condition, and will deliver up all keys belonging to said premises to the Lessor, or Lessor's agent. Should Lessee fail to tender possession of the premises to the Lessor as provided herein, Lessor shall have the right to perform the work necessary to put said premises in a "broom" clean condition, at Lessee's expense, and Lessee agrees to reimburse Lessor a reasonable sum therefore.

Lessor shall not be called upon to make any improvement or repair of any kind upon said premises or the services thereto. Lessee will replace any glass of all windows as may become cracked or broken. Except for damage by fire, windstorm or acts of God, Lessee will, at his sole cost and expense, keep and preserve the leased premises, including, but not limited to, the exterior entrance, exterior sash and all interior partitions, doors, fixtures, utility supply lines serving the premises, and equipment (including lighting, heating, plumbing fixtures, air-conditioning and elevators) in as good repair as they now are or

may hereafter be put; provided, this responsibility shall apply to roofs, structural portions of the exterior walls and foundation, only if the damage is caused by the negligence of Lessee, his agents or employees, or as a result of illegal entry. Lessee will maintain the parking area, if any.

#### ACCIDENTS

8. All personal property on said premises owned by Lessor shall be at the risk of Lessor. All personal property on premises not owned by Lessor shall be at the risk of Lessee. Lessor or Lessor's agent shall not be liable for theft, or any damage, either to person or property, sustained by Lessee or others, caused by any defects now in said premises, or the building in which the premises are located, or any service facilities or hereafter occurring therein, or due to the building in which the leased premises are situate, or any part or appurtenance thereof, becoming out of repair, or caused by fire or by the bursting or leaking of water, gas, sewer or steam pipes, or from any act or neglect of other occupants of said building, or any other persons, or due to the happening of any accident from whatsoever cause in and about said building. Lessee agrees to defend and hold Lessor and Lessor's agent harmless from any and all claims for damages suffered or alleged to be suffered in or about the leased premises by any person, firm or corporation and from any expenses incurred by Lessor in respect to any such claim, except as occasioned by the negligence of Lessor, or Lessors' agent or employees.

#### USE

9. The Lessee shall conduct and carry on in said premises, continuously during each and every business day of the term hereof, the business in which said premises are leased, and shall not use the premises for illegal purposes. The Lessee agrees that no stock of goods will be carried, or anything done in or about the premises which will increase the present rate of insurance. The rental contained herein is predicated on, among other things, Lessor's existing insurance premiums, and in the event that the Lessee's usage shall cause an increase in the rate or rating, then, in that event, the Lessee shall pay for any resulting increase. Lessee agrees that it has determined to Lessee's satisfaction that the premises can be used for the purpose for which they are leased and waives any right to terminate this lease in the event the premises cannot be used for such purposes or for any reason may not be used for such purposes during the term of the lease.

#### LIENS AND INSOLVENCY

10. Lessee shall keep the leased premises and the property in which the leased premises are situate, free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. In the event Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee

#### ASSIGNMENT

11. Lessee shall not assign this lease or any part thereof and shall not sublet the whole or any portion of the premises without the written consent of Lessor or Lessor's agent, which consent shall not be unreasonably withheld. This lease shall not be assignable by operation of law. If Lessee is a corporation, then any transfer of this lease from Lessee by merger, consolidation or liquidation and any change in the ownership of, or power to vote, the majority of its outstanding voting stock shall constitute an assignment for the purpose of this paragraph. Any assignment of this lease shall not extinguish or diminish the liability of the Lessee herein. If consent is once given by the Lessor to the assignment of this lease, or any interest therein, Lessor shall not be barred from afterwards refusing to consent to any further assignment.

#### ACCESS

12. Lessee will allow Lessor or Lessor's agent free access at all reasonable times to said premises for the purpose of inspection, or of making repairs, additions or alterations to the premises or any property owned by or under the control of Lessor, but this right shall not be construed as an agreement on the part of the Lessor to make any repairs, all of such repairs to be made by the Lessee as aforesaid. The Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said premises, for 30 days prior to the expiration of this lease.

#### POSSESSION

13. In the event of the inability of Lessor to deliver possession of the premises, or any portion thereof, at the time of the commencement of the term of this lease, neither Lessor nor Lessor's agents shall be liable for any damage caused thereby, nor shall this lease thereby become void or voidable, nor shall the term herein specified be in any way extended, but in such event, Lessee shall not be liable for any rent until such time as Lessor can deliver possession. If the Lessor shall deliver possession of the premises to the Lessee prior to the commencement date of this lease, and Lessee agrees to accept same at such time, both Lessor and Lessee agree to be bound by all of the provisions and obligations hereunder during such prior period, including payment of rent at the rate stated in Paragraph 4.

#### DAMAGE OR DESTRUCTION

14. In the event the premises are damaged to such an extent as to render the same untenable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Lessor to repair or rebuild the same; and after the happening of any such event, the Lessee shall give Lessor or Lessor's agent immediate written notice thereof. Lessor shall have not more than 30 days after date of such notification to notify the Lessee in writing of Lessor's intentions to repair or rebuild said

premises, or the part so damaged as aforesaid, and if Lessor elects to repair or rebuild said premises, Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period the rent of said premises shall be abated in the same ratio that that portion of the premises rendered for the time being unfit for occupancy shall bear to the whole of the leased premises. If the Lessor shall fail to give notice aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon the Lessor or Lessor's agent.

In the event the building in which the premises hereby leased are located shall be damaged (even though the premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Lessor it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Lessor to terminate this lease by written notice served on Lessee within 90 days after such damage or destruction.

#### NOTICES

15. All notices to be given by the parties hereto shall be in writing and may either be served personally or may be deposited in the United States Mail, postage prepaid, by either registered mail or by regular mail with certificate of mailing obtained; and if to be given Lessor, to be addressed to the Lessor, or Lessor's agent, or, if to be given Lessee, may be addressed to Lessee at the leased premises.

#### GOVERNMENTAL FEES

16. All fees, taxes and other governmental charges payable to the City, County or State in connection with the use in or about the leased premises by Lessee, shall be paid by Lessee.

#### SIGNS

17. All signs or symbols placed in the windows or doors of the premises or upon any exterior part of the building by the Lessee shall be subject to the prior written approval of the Lessor or Lessor's agent. Any signs so placed on the premises shall be so placed upon the understanding and agreement that Lessee will remove same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Lessee than Lessor may have same so removed at Lessee's expense.

#### ALTERATIONS

18. Lessee shall not make any alterations, additions or improvements in said premises, without the consent of Lessor in writing first had and obtained, and all alterations, additions and improvements which shall be made, shall be at the sole cost and expense of Lessee, and shall become the property of the Lessor, and shall remain in and be surrendered with the premises as a part thereof at the termination of this lease, without

disturbance, molestation or injury. If the Lessee shall perform work with the consent of the Lessor, as aforesaid, Lessee agrees to comply with all laws, ordinances, rules and regulations of the appropriate City or County in which said premises are located, and any other authorized public authority. The Lessee further agrees to save the Lessor free and harmless from damage, loss or expense arising out of the said work. Lessee agrees that Lessor has the right to make alterations to the premises and to the building in which the premises are situate and Lessor shall not be liable for any damage which Lessee might suffer by reason of such undertaking.

#### DEFAULT AND RE-ENTRY

19. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreements herein contained, then the Lessor may cancel this lease upon giving the notice required by law, and re-enter said premises, but notwithstanding such re-entry by the Lessor, the liability of the Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this lease, and Lessee covenants and agrees to make good to the Lessor any deficiency arising from a re-entry and reletting of the premises at a lesser rental than herein agreed. The Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Lessor.

#### COSTS AND ATTORNEY'S FEES

20. If by reason of any default on the part of Lessee it becomes necessary for the Lessor to employ an attorney or in case Lessor shall bring suit to recover any rent due hereunder, or for breach of any provision of this lease or to recover possession of the leased premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this lease, the prevailing party shall have and recover against the other party in addition to the cost allowed by law, such sum as the court may adjudge to be reasonable attorney's fee. In the event the Lessee defaults in the payment of rental, the Lessee agrees to pay for the cost of any collection agency, or attorney, employed by the Lessor.

#### NON-WAIVER OF BREACH

21. The failure of the Lessor to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

#### REMOVAL OF PROPERTY

22. In the event of any entry in, or taking possession of, the leased premises as aforesaid, the Lessor shall have the

right, but not the obligation, to remove from the leased premises all personal property located therein, and may store the same in any place selected by Lessor, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, the balance if any to be paid to Lessee.

Lessee hereby waives all claims for damages that may be caused by Lessor's re-entering and taking possession of premises or removing and storing the property of Lessee as provided in this lease, and will save Lessor harmless from loss, costs or damages occasioned Lessor thereby, and no such re-entry shall be considered or construed to be a forcible entry. Lessee's abandonment of premises shall also give Lessor rights herein contained.

#### HEIRS AND SUCCESSORS

23. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

#### HOLDOVER

24. If the Lessee shall, with the written consent of Lessor, hold over after the expiration of the term of this lease, such tenancy shall be for an indefinite period of time on a month to month tenancy, which may be terminated as provided by the Laws of the State of Washington. During such tenancy Lessee agrees to pay to the Lessor the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants, and conditions as herein specified, so far as applicable.

#### SUBORDINATION

25. This lease is subject and is hereby subordinated to all present and future mortgages, deeds of trust and other encumbrances affecting the demised premises or the property of which said premises are a part. The Lessee agrees to execute, at no expense to the Lessor, any instrument which may be deemed necessary or desirable by the Lessor to further effect the subordination of this lease to any mortgage, deed of trust or encumbrances provided Lessee's rights herein shall not be diminished. Lessee agrees to execute Estopped Letter upon request.

#### MUTUAL RELEASE WAIVER

26. Lessor and Lessee do each herewith and hereby release and relieve the other, and waive their entire claim or recovery



for loss or damage to property arising out of or incident to fire, lightning and the perils included in the extended coverage endorsement, in, on or about the said premises, whether due to the negligence of any of said parties, their agents or employees or otherwise provided such waiver is permitted by both insurance carriers.

#### OFFSET STATEMENT

27. Lessee shall, at any time upon not less than ten (10) days prior written notice from landlord, execute acknowledge and deliver to Lessor, a statement in writing certifying that this Lease is unmodified and in full force and affect (or, if modified, stating to nature of such modification and certifying that this lease, as so modified in full force and effect), and the date to which the rental and other charges are paid in advance, if any; and acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

#### SALE OF PREMISES BY LESSOR

28. In the event of any sale of "the Premises", Lessor shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Lessor under this Lease.

#### NOTICE

29. Any notice required to be given by either party to the other pursuant to the provisions of this Lease or any law, present or future, shall be in writing and shall be deemed to have been duly given or sent if either delivered personally or deposited in the United States Mail, postage prepaid, registered or certified, return receipt requested, addressed to the:

Lessor at:

Mr. C. Don Filer, President  
Falcon Aviation, Inc.  
4201 Roosevelt Way N.E.  
Seattle, WA 98105

Lessee at:

Mr. Peter G. Anderson, President  
Galvin Flying Service, Inc.  
7205 Perimeter Road, Boeing Field  
Seattle, WA 98108

#### INSURANCE BY LESSEE

30. During the term of this lease, Lessee, at its sole cost and expense, shall carry and maintain Comprehensive public liability insurance to afford protection in the minimum combined limit of not less than one million dollars, in respect to injury or damage to persons or property, and such policies of insurance shall not be cancelable without thirty days' prior written notice thereof to Lessor, and Lessee shall submit a certificate of such policies to Lessor. Lessee agrees to name Lessor as additional insured under Lessee's premises, products and completed operations insurance; provided, however, that Lessor shall be an additional insured only with respect to liability arising directly out of a claim brought by a person or entity which was a customer referred by Lessor to Lessee and the event or events which gave rise to such claim occurred after Lessee performed actual maintenance services on aircraft.

#### PROPERTY INSURANCE

31. During the term of this lease and any renewal thereof, Lessor shall procure and maintain fire, extended coverage and vandalism insurance with a responsible company authorized to do business in the state of Washington, insuring the building and all improvements thereto in an amount of at least equal to 90% of the REPLACEMENT COST thereof, exclusive of foundations. The insurance policy providing this protection shall be in the name of the Lessor only, with a waiver of subrogation in favor of Lessee. If the premises are destroyed by reason of an insured event, all advance or unaccrued rentals shall be reimbursed to Lessee from the date of the insured event.

#### RIDERS

32. The riders, 33 through 36 attached hereto, are made a part of this lease by reference.

TIME IS OF THE ESSENCE OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date set forth below.

LESSOR:

LESSEE:

FALCON AVIATION, INC.

GALVIN FLYING SERVICE, INC.

BY: *C. Don Filer*

BY: *Peter G. Anderson*

BY: C. DON FILER, PRESIDENT

BY: PETER G. ANDERSON, PRESIDENT

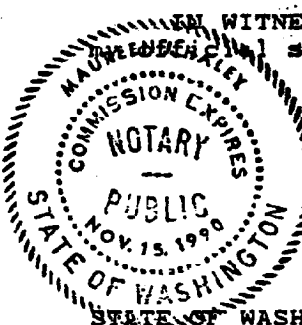
DATED: JAN 22, 1990

DATED: January 19, 1990

STATE OF WASHINGTON )  
 ) ss.  
County of KING )

This is to certify that on this 22<sup>nd</sup> day of January, A.D. 1990, before me personally appeared C. Don Filer, to me known to be the president of Falcon Aviation, Inc. the Corporation that executed the within and foregoing instrument, and acknowledged for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year first above written.



Maurice J. Haley  
NOTARY PUBLIC in and for the State of Washington  
Residing at: Seattle, WA  
My Commission Expires: 11/15/90

STATE OF WASHINGTON )  
 ) ss.  
County of KING )

This is to certify that on this Nineteenth day of January, A.D. 1990, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared Peter G. Anderson, to me known to be the President of Galvin Flying Service, Inc., the Corporation that executed the within and foregoing instrument, and acknowledged uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Charles J. Wiggins  
NOTARY PUBLIC in and for the State of Washington  
Residing at: Seattle  
My Commission Expires: 10/14/91

RIDERS TO SUBLEASE BETWEEN FALCON AVIATION, INC.  
AND GALVIN FLYING SERVICE, INC.  
DATED JAN 22, 1990

Sublease.

33. The parties to this Sublease hereby agree and acknowledge that their relationship is that of Sublessor and Sublessee and that, as used in this Sublease, the word "Lease" shall mean Sublease, the word "Lessee" shall mean Sublessee, and the word "Lessor" shall mean Sublessor.

Consent of King County.

34. Sublessor is presently leasing the premises from King County, Washington ("King County") pursuant to a lease dated June 4, 1980. Sublessor and Sublessee agree that their rights and obligations under this Sublease are contingent upon King County giving its consent to Sublessor and Sublessee to enter into this Sublease and that if such consent is not obtained prior to the beginning of the term of this Sublease, then this Sublease shall be null and void and wholly without effect, and all amounts paid or deposited by Sublessee shall be repaid by Sublessor to Sublessee within one day after the beginning of the term hereof.

Hazardous Substance

35. As used in this Sublease, the term "Hazardous Substances" shall mean any substance designated as, or containing components designated as, hazardous, dangerous, toxic or harmful and/or subject to regulation by any federal, state or local law, regulation, statute or ordinance. As used herein, "use of Hazardous Substances" shall mean the keeping, use, disposal, treatment, generation, storage and/or sale of Hazardous Substances. Sublessor agrees that it shall be fully and completely liable for any and all cleanup costs, and any and all other charges, fees and penalties (civil and criminal) imposed by any governmental authority with respect to any use of Hazardous Substances on the premises except to the extent such use was made by Sublessee. Sublessor hereby agrees to indemnify, defend and save Sublessee harmless from any and all of the costs, fees, penalties and charges against or imposed upon Sublessee (including, without limitation, attorneys' fees and costs) as a result of any use of Hazardous Substances described in the preceding sentence.

Commission Referral Agreement

36. Sublessor and Sublessee intend to enter into a Referral Commission Agreement with respect to possible referrals by Sublessor to Sublessee of some of Sublessor's customers. If Sublessor and Sublessee do not enter into such a Referral Commission Agreement in form satisfactory to both Sublessor and Sublessee within ten (10) days after the date hereof (such tenth day after the date hereof being hereinafter referred to as the "Commission Agreement Termination Date"), then, at Lessor's option, this Sublease shall become null and void and wholly without effect (except for rights and obligations accruing hereunder prior to the Commission Agreement Termination Date), and all amounts paid to Sublessor by Sublessee as a deposit, rent or otherwise pursuant to this Sublease shall be returned to Sublessee by Sublessor within one (1) day after the Commission Agreement Termination Date, and Sublessor and Sublessee agree that Sublessee shall, in the case of such a termination, not be obligated to pay any rent for its use of the premises during such ten (10) days.

EXHIBIT A

The aircraft hangar is located on two lots on King County Airport (Boeing Field) described as follows:

A rectangular shaped tract of land on King County Airport (Boeing Field) in the Northwest Quarter of Section 28, Township 24 North, Range 4 East, W.M., described as follows: Beginning at the Northeast Corner of the Southwest Quarter (1/4), thence North 88 degrees 25'45" West 679 feet; thence North 38 degrees 51'23" West 1790 feet; thence North 51 degrees 08'37" East 15 feet to the TRUE POINT OF BEGINNING; thence continuing on the same bearing 90 feet; thence North 38 degrees 51'23" West 110 feet; thence South 51 degrees 08'37" West 90 feet; thence South 38 degrees 51'23" East 110 feet to the TRUE POINT OF BEGINNING. An area containing approximately 9,900 square feet.

A rectangular shaped tract of land on King County Airport (Boeing Field) in the Northwest Quarter of Section 28, Township 24 North, Range 4 East, W.M., described as follows: Beginning at the Northeast corner of the Southwest Quarter (1/4); thence North 88 degrees 25'45" West 679 feet; thence North 38 degrees 51'23" West 1640 feet; thence North 51 degrees 08'37" East 15 feet to TRUE POINT OF BEGINNING; thence continuing on the same bearing 90 feet; thence North 38 degrees 51'23" West 150 feet; thence South 51 degrees 08'37" West 90 feet; thence South 38 degrees 51'23" East 150 feet to the TRUE POINT OF BEGINNING. An Area containing approximately 13,500 square feet.

The hangar size is approximately 11,895 square feet in size.

GUARANTY

This Guaranty is made with reference to a sublease ("the Sublease") dated as of JAN 22, 1990, and entered into by and between FALCON AVIATION, INC., as Sublessor, and GALVIN FLYING SERVICE, INC., as Sublessee.

FOR VALUE RECEIVED and in consideration for, and as an inducement to, the Sublessee entering into the Sublease, the undersigned hereby guarantees to the Sublessee, its successors and assigns, the full performance and observance of all covenants, conditions and agreements therein provided to be performed and observed by the Sublessor, its successors and assigns, and expressly agrees that the validity of this Agreement and the obligations of the Grantor hereunder shall in no way be terminated, affected or impaired by reason of the assertion by the Sublessee against the Sublessor or any of the rights or remedies reserved to the Sublessee pursuant to the provision of the Sublease, or by reason of the waiver by the Sublessee of, or the failure of the Sublessee to, enforce any of the terms, covenants or conditions of the Sublessee to, enforce any granting of any indulgence or extension of time to the Sublessor, all of which may be given or done without notice to the Guarantor. The undersigned waives notice of default in the payment of rent, additional rent or any other amounts contained in the Sublease.

The undersigned further agrees that its liability under this Agreement and Guaranty shall be primary, and that in any right of action which shall accrue to the Sublessee under the Sublease, the Sublessee may at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment, against the Sublessor and that the venue of any action against the undersigned may be in the county in which the premises are located.

WITNESS the execution hereof this 22 day of JAN., 1990.

FALCON AVIATION, INC.

  
C. Don Filer, President